

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0304P

**Sales and Use Tax
Calendar Years 1997, 1998, and 1999**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed on an audit completed on April 5, 2000.

Taxpayer failed to self assess use tax on clearly taxable items and had no use tax accrual system in place for 1998. Taxpayer was previously audited on October 11, 1991 and January 28, 1988 and some of the same issues were present.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that the taxpayer failed to remit use tax on thirty-one percent (31%), one hundred percent (100%), and seventy-five percent (75%) of its taxable purchases in 1997, 1998, and 1999 respectively although it had prior audits with similar issues. The taxpayer failed to self assess as required by statute and was aware that tax was due.

Taxpayer merely states that it makes many purchases throughout a given year and the audit revealed

very few purchases that it failed to report for use tax.

Taxpayer, however, is aware that use tax is due and should have remitted the tax. Failure to do so constitutes negligence.

FINDING

Taxpayer's protest is denied.